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WASHINGTON, D.C. 20505

24 AUG 1976

Mr. James M. Frey  
Assistant Director for Legislative Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

Enclosed is a proposed report to Chairman Henderson, House Committee on Post Office and Civil Service, offering our views on H.R. 13933, a bill "To amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians."

Advice is requested as to whether there is any objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

**SIGNED**

George L. Cary  
Legislative Counsel

Enclosure

Distribution:

- Orig - Addressee, w/encl
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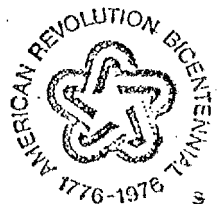
Honorable David N. Henderson, Chairman  
Committee on Post Office and Civil Service  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

I am writing to express the Central Intelligence Agency's strong support for H.R. 13933, a bill "To amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians."

The Uniformed Services Medical Officers Revised Pay Structure Act of 1974 (P.L. 93-274) and the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (P.L. 94-123) provided special pay and incentive pay to physicians and dentists in the uniformed services and the Veterans' Administration, a total of 92.5% of the physicians employed by the Federal Government. As a result, approximately 1,930 Federal civilian physicians, the remaining 7.5% of physicians employed by the Federal Government, are compensated at a significantly lower rate than their counterparts. Physicians employed by the Central Intelligence Agency are among this group of civilian physicians adversely affected by the imbalance in pay scales.

This inequitable situation, coupled with the availability of higher salaries in the private sector, has created for this Agency and certain other civilian agencies a serious recruitment and retention problem with respect to qualified physicians. The problem is becoming especially acute for this Agency, and there is strong evidence that this is directly attributable to our inability to pay competitive salaries. Data from the Department of Defense indicates that the Uniformed Services Physicians Pay Act has stopped the net outflow of military physicians for the first time since the Doctors Draft ended in June, 1973.



We believe that H.R. 13933 will correct this inequitable pay situation and thus alleviate the problem of recruiting and retaining qualified physicians. Therefore, we urge the Committee to favorably consider this legislation.

The Office of Management and Budget has advised there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

George Bush  
Director

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